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ARTICLES:

- (1) Japan-Australia summit: EPA talks to start next month; Liberalization of agricultural products the touchstone, but talks could bog down

Prime Minister Shinzo Abe yesterday met with Australian Prime Minister John Howard at the Prime Minister's Official Residence. Both agreed for the governments to enter into talks to sign an economic partnership agreement (EPA) in April. This will be the first EPA talks with a major agricultural country for Japan, offering a key test of the government's stance toward liberalization of agricultural products, since it has yet to deal with the issue head-on in talks with other countries.

Prime Minister Abe during a press conference after the summit meeting said that an EPA with Australia would considerably benefit Japan. However, apparently having in mind the need to protect agricultural products, he stressed loudly, "We will not set a time limit on the talks." Howard also said, "The talks will be long-term."

Negotiations that are expected to be long-term from the beginning are bound to be a slow process. One Liberal Democratic Party (LDP) lawmaker during a meeting of the Upper House Budget Committee yesterday expressed concern that the signing of an EPA with Australia might devastate Japan's agricultural sector. Foreign Minister Taro Aso responded, "We will be on the offensive or on the defensive on a case-by-case basis." Agriculture Minister Toshikatsu Matsuoka underscored, "In our relations with Australia, the basis will be erecting solid defensive measures."

The first round of the talks has been set to start on April 23, the day after the second half of the unified local elections. This is the result of giving consideration to the possibility of the agricultural talks having an adverse effect on the elections.

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Japan has so far signed EPA agreements with four countries, including Singapore. Since most are with industrialized countries, opposition from domestic farmers was relatively weak. In talks with Australia, Japan will call for exempting from the scrapping of tariffs wheat and dairy products, items with tariffs of more than 200% and beef with a 50% tariff.

An EPA with Australia is advantageous to Japan, though. Most of Japan's exports to that nation are manufactured goods. Removal of tariffs on all tradable goods is expected to raise Japan's gross domestic product due to the expected increase in exports. Japan relies on Australia for a large portion of the natural resources it uses, as can be seen in the fact that it imports 60% of its iron ore and coal from that country. It intends to work on Australia to incorporate an article committing the stable supply of natural resources in an agreement.

Japan is looking into the possibility of EPAs with China and the US - both agricultural producers. Talks with Australia will be an important step that will determine Japan's future EPA strategy, as a senior official of the Ministry of Economy, Trade and Industry put it.

(2) JCP member calls for canceling talks on Japan-Australia EPA, citing possible serious damage to Japanese farmers

AKAHATA (Top Play) (Full)
March 14, 2007

Japanese Communist Party (JCP) member Tomoko Kami questioned Prime Minister Shinzo Abe in a House of Councillors' Budget Committee meeting yesterday about what impact an economic partnership agreement (EPA) between Japan and Australia, if concluded, would have on Japanese agriculture.

Japan imports 60% of the food it consumes (on a calorie basis) from the United States and other countries. Kami cited a report of the Agriculture, Forestry and Fisheries Ministry's (MAFF) research institute noting that a 0.5-degree rise in the temperature would significantly reduce the production of coarse grain such as American

kaoliang and corn used as feed for animals. Taking up a report of the Environment Ministry saying that the output of wheat would greatly plummet, she stressed, "Considering recent abnormal weather conditions, the (world's) food situation might become serious. Since Japan is highly dependent on imports, it will unavoidably receive a serious blow in such a case."

Prime Minister Abe said, "The state of food self-sufficiency in the world might become difficult."

Kami added, "At such a time, Japan will soon start talks on concluding an EPA with Australia. If Japan signs a deal, the nation's food self-sufficiency rate would be lowered, and Japanese farmers in Hokkaido and other areas across the nation would receive a serious blow." She also introduced a MAFF report estimating that if tariffs on key farm products were scrapped, the wheat, sugar, dairy products, and beef industries would suffer a loss of 790 billion yen in total. Regarding the impact of an EPA on the economy in Hokkaido, Kami cited a loss of 1,371.6 billion yen in the industries involved in the accord, as estimated by the Hokkaido government, remarking, "They will unavoidably receive a destructive blow." She then called for planned Japan-Australia EPA negotiations

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to be cancelled.

But Prime Minister Abe turned down her demand, saying, "Japan will benefit if it deepens relations and strengthens cooperation with Australia," adding, "We must study the situation, while focusing on the effect on agriculture in Hokkaido."

Members of the Council on Economic and Fiscal Policy, including Keidanren Chairman Fujio Mitarai, are calling on the government to accelerate EPA talks. Kami lashed out at such a clamor. She reiterated, "The government should immediately cancel the planned Japan-Australia EPA talks that could risk Japanese agriculture and food safety for the Japanese people."

(3) Editorial: Iraq stabilization-Japan's diplomatic capability to be tested, as well

SANKEI (Page 2) (Full)
March 10, 2007

At the request of Iraqi Prime Minister Maliki, an international conference to stabilize Iraq will be held today in Baghdad with the participation of Iraq's neighbors and the United Nations Security Council's five permanent members: the United States, Britain, France, Russia, and China.

Iran and Syria, which have been criticized by the United States as terrorist sponsors, will also attend the conference with the United States. The United States until now has refused to hold direct talks with those two countries. This time around, however, the United States hinted at his readiness to be contact Iran and Syria. This draws attention to the possible policy changeover of the US to dialogue.

In December last year, a US bipartisan group to study Iraq policy options came up with its set of policy proposals. The group in its report incorporated a proposal to launch a group to assist Iraq that would include Iraq's neighbors and major countries in the world, including Japan. In addition, the report also suggested the need for the United States to hold direct talks with Iran and Syria.

The conference's agenda includes "Iraq's security restoration, economic rehabilitation, and national reconciliation," according to US State Department spokesman McCormack. However, its participants are in substantially different positions. There is no predicting whether the conference will be a success.

Even so, the international community, including Iraq's neighbors for different reasons, desires restoration of civil order in Iraq. Not only Iraqis but also people all over the world are now fed up with the turmoil in that country. We hope that the conference will become a breakthrough for the stabilization of Iraq.

Iran is a country of Islamic Shiites, and Saudi Arabia a country of the Sunni. On March 3, Iranian President Ahmadinejad and Saudi Arabian King Abdullah met in Riyadh. In the meeting, the two agreed to prevent confrontation between the two Islamic groups. This is also a good tailwind.

The conference this time is a working-level meeting of high-ranking officials at the level of ambassadors. In April, the conference, if it paves the way, will be raised to the level of foreign ministers and will be expanded with the participation of the Group of Eight

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(G-8) summit members, including Japan. In that case, Japan will also have its turn.

Prime Minister Shinzo Abe will visit the United States in late April. In addition, the prime minister is now coordinating a plan to visit the Middle East after his US trip. In July last year, his predecessor, Junichiro Koizumi, visited the Middle East. Prime Minister Abe is poised to take a proactive stance during his Middle East trip.

Last week, Foreign Minister Taro Aso delivered a speech on his own envisioned policy toward the Middle East. In his speech, the foreign minister explained his concept for creating the "corridor for peace and prosperity," which is to build an agricultural center on the Jordan River's west bank for the Palestinians. He then voiced his desire for Palestinian stability.

Japan has now promised to outlay a total of 5 billion dollars in aid to Iraq's reconstruction. Japan is the second largest donor for Iraq, ranking next to the United States. The Middle East has favorable feelings toward Japan. Japan should have its own role. It is time for the entire scope of Japan's diplomacy to be tested.

(4) Abe's protective stance toward Matsuoka stands out in budget committee session; Opposition camp scrutinizes utilities issue for only nine minutes

ASAHI (Page 4) (Abridged)
March 14, 2007

In anticipation of the opposition bloc's fierce attack on Agriculture, Forestry, and Fisheries Minister Toshikatsu Matsuoka over his massive utility expenses (for an office that is free), the ruling coalition had regarded yesterday's Upper House Budget Committee session as the "climax." But to its relief, the opposition bloc hurled questions at Matsuoka for only nine minutes without driving him to the wall. Aware of public opinion, the opposition camp apparently intends to tighten the noose around Matsuoka gradually for instance by demanding his Diet testimony as a sworn witness. The ruling camp knows that the storm is far from over. Prime Minister Abe's comments defending Matsuoka stood out in the session.

Opposition parties

In yesterday's intensive deliberations, Minshuto (Democratic Party of Japan) lawmakers Tadashi Hirono and Katsuya Ogawa were allowed to take the floor for a total of 100 minutes. But the two devoted only nine minutes to questioning Matsuoka about his utilities expenses. In a Minshuto executive meeting held immediately before the committee session, an Upper House executive had expressed eagerness to relentlessly attack the farm minister. "Why don't they grill Matsuoka?" grumbled a frustrated Minshuto Lower House Diet Affairs Committee member.

"It's a clear violation of the Political Funds Control Law. Matsuoka can't get away from this. We can easily force him to resign as farm minister." Soon after the utilities scandal came to light, this optimistic view swept across Minshuto.

But the matter is so simple that finding additional ammunition is not easy.

In response to the opposition camp's demand for detailed explanations on March 7, Matsuoka said 23 times that he had reported the expenses "appropriately."

He did not use this phrase in yesterday's televised committee session, though. Instead, he indicated three times that once the parties decided on the rules for disclosing expenses, he would follow them. Matsuoka again did not offer a detailed account.

The opposition camp is apparently trying to damage Matsuoka steadily and slowly by highlighting the Abe administration's excessively protective nature, hoping to fuel public outrage. As part of such an effort, a group of Minshuto lawmakers "raided" Matsuoka's office in the Dietmembers' Office Building to confirm the presence of water purifiers.

As the next step, the opposition bloc plans to demand Matsuoka's Diet testimony as a sworn witness, which might result in perjury.

Minshuto Acting President Naoto Kan told reporters yesterday: "We are going to consider the option of testimony in both chambers of the Diet, and even criminal prosecution, if necessary." This reflects Minshuto's intention to expose the ruling camp's protection of Matsuoka.

Ruling parties

In yesterday's committee session, Social Democratic Party head Mizuho Fukushima asked: "Is it the LDP or the prime minister who is defending Mr. Matsuoka?"

In response, Abe defended Matsuoka, saying, "Mr. Matsuoka explained that he has reported the expenses properly under the law." After returning to the Prime Minister's Official Office (Kantei), Chief Cabinet Secretary Yasuhisa Shiozaki said to Koizumi, "The budget committee session was rather quiet." Abe said in response, "Yes, except for Ms. Fukushima. But that, too, was a pose."

Members in the ruling camp have not softened their gaze at Matsuoka, however.

In yesterday's session, LDP lawmaker Akiko Santo offered candid advice to Matsuoka: "I am fed up with recent media reports on the farm minister. I don't like political stunts by some opposition members. I also want to see the farm minister's improved attitude and his undivided dedication to his duties." New Komeito legislator Takao Watanabe also urged Prime Minister Abe to press Matsuoka to fulfill his accountability to the public.

After an LDP executive meeting on March 12, Upper House LDP Caucus Chairman Mikio Aoki told the remaining executives: "Tomorrow's intensive deliberations will be crucial. The ruling parties must band together in order to weather the session." Upper House Caucus Secretary General Toranosuke Katayama also called for sufficient

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explanations, saying: "In the context of fulfilling his accountability, the farm minister should spell out the content of his 'appropriate' expenses."

Behind those comments lie the upcoming unified local elections and the Upper House election. Some ruling Upper House members have even voiced their desire for Matsuoka's resignation. "I don't have any intention to uncover all the facts about Mr. Matsuoka's utility fees or to defend him," a New Komeito lawmaker noted.

When Health, Labor, and Welfare Minister Hakuo Yanagisawa committed a gaffe, Aoki squelched calls for his resignation, saying that he would follow the prime minister's wishes. How is Aoki going to act if new allegations surface about Matsuoka? Forces critical of

Matsuoka in the ruling camp rather than the opposition camp, which is at a loss on how to continue their offensive, may hold the key to future developments.

(5) Hot battle among regions to host G-8 summit next summer; How will Prime Minister Abe make the decision? Obuchi cabinet's popularity boosted after picking Okinawa as venue for 2000 summit

TOKYO SHIMBUN (Page 2) (Full)
March 13, 2007

A battle to host next year's G-8 summit is heating up among local regions. Hokkaido has now joined three other regions that had announced their candidacies to host the event. During the premiership of the late Keizo Obuchi, who was then suffering from low popularity, Okinawa Prefecture was picked as the venue for the 2000 G-8 summit in Japan. Obuchi's choice of Okinawa to host the summit boosted the popularity of his government. Will Prime Minister Shinzo Abe's choice allow him a similar boost?

Hokkaido Gov. Harumi Takahashi aims to win the race to host the summit in the area around Lake Toya, known as one of the most scenic spots in Japan. The governor visited on March 12 the Prime Minister's Official Residence (Kantei) to promote Lake Toya to Chief Cabinet Secretary Yasuhisa Shiozaki and other Kantei officials, briefing them on the significance of holding the summit at that location.

Gov. Takahashi formally announced on March 7 her prefecture's candidacy for the race to choose the venue for the 2008 G-8 summit, and this is her first lobbying activity.

The cities of Yokohama and Niigata, which will celebrate next year the 150th anniversary of opening their ports to the world, have been lobbying for about two years to jointly host the G-8 summit, which they naming it "Open Port Summit."

Diet members representing Kyoto, Osaka, and Hyogo prefectures, which aim to host jointly the summit, which they would call the "Kansai Summit," presented a letter to Shiozaki last month.

Okayama and Kagawa prefectures have already advocated the holding of the summit in their region of the Seto Inland Sea. The battle among the three regions has reached the final stage.

Requirements for hosting the summit include: (1) the venue must provide accommodation facilities for the thousands of members of the press; (2) it must be able to provide security; and (3) it must have the capability of sending out messages to the world. Of the four summits that have so far taken place in Japan, three were hosted by Tokyo since top priority was placed on safety and accommodation.

However, Obuchi picked Okinawa as the venue for the 2000 summit in consideration of Okinawa's burden of hosting US military bases and Okinawa's suffering during World War II. In a poll conducted soon after he picked Okinawa as the summit location, Obuchi cabinet's approval rate topped his disapproval rate for the first time, jumping up from the 10% level.

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Looking at the candidate sites, Niigata City is largely connected with the issue of North Korea's abductions of Japanese nationals. Kyoto is the perfect site, in which the Koto Protocol was adopted, in order for Japan to play up its efforts for the environment issue, which is likely to be a key topic of discussion at the summit.

Some predict that the Lake Toya area is the most likely candidate since the summits of recent years were held at resorts due to security.

Prime Minister Abe must decide the venue for the summit by June. He enthusiastically told reporters on March 12: "I will make a final decision on the matter, after considering which site is best for the venue for the summit in a comprehensive manner."

(6) Interviewing former Defense Agency Director General Yoshinori Ono: Japan should take resolute stance against North Korea, while cooperating with US

YOMIURI (Page 4) (Full)
March 14, 2005

Because of Prime Minister Shinzo Abe's efforts, Japan was able to obtain two diplomatic achievements in the latest round of the six-party talks on North Korea's nuclear weapons program. One achievement was that the members all now share a common awareness of the issue of North Korea's abductions of Japanese nationals, and the other is that Japan has made its position clear that it will not provide North Korea with heavy oil as assistance unless there is progress on the abduction issue.

The 1994 Agreed Framework between the United States and North Korea included the annual provision of 500,000 tons of heavy oil to the North and construction of light-water reactors. Under the latest agreement, Pyongyang will receive 50,000 tons of heavy fuel oil at the initial phase, and eventually 1 million tons altogether. Despite such a small compensation, North Korea accepted the deal. North Korean leader Kim Jong Il must be suffering from the financial sanctions.

Kim needs a certain amount of funds in order to maintain the support of the military and his aides. The rumor is that Kim's own financial assets were frozen by US financial sanctions. As a result, he is unable to conduct internal maneuvering. With such a rumor in mind, Japan, therefore, has to deal with the North Korea issue in a calm manner.

Since Pyongyang's desire was to hold talks with Washington alone, not with Tokyo, it was predictable that it would be difficult to see any progress in the abduction issue at the recent working group meeting on normalization of Japan-North Korea relations. US foreign policy, including its policy toward Iraq, has not been going well, but it is essential that Japan and the US show North Korea a determined stance, while maintaining their close cooperation. The United States will not leave Japan behind. Tokyo should be confident for Washington needs Japan's continued support for Iraq's reconstruction.

The US has supported Japan by urging during its talks with North Korea that it needs to resolve the abduction issue. Unless North Korea takes a positive stance toward resolving the abduction issue, Japan should continue to call the North terrorist-sponsoring state

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and impose economic sanctions on it. Japan must patiently continue its tough stance in negotiating with the North.

SCHIEFFER